

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 SOE-02 AID-05 CEA-01 CIAE-00

COME-00 DODE-00 DOE-11 H-02 INR-10 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-05 USIA-15 OES-07 SP-02

SS-15 STR-07 TRSE-00 ACDA-12 PA-02 /129 W

-----042220 260407Z /64

R 251403Z FEB 78

FM AMEMBASSY ALGIERS

TO SECSTATE WASHDC 8093

INFO AMEMBASSY RABAT

AMEMBASSY TUNIS

AMCONSUL ORAN POUCH

UNCLAS ALGIERS 0627

E. O. 11652: N/A

TAGS: ENRG, EFIN, AG

SUBJ: BOUMEDIENE'S SPEECH AT OPENING OF ARZEW LNG PLANT

1. THE FOLLOWING IS A BRIEF SUMMARY OF THE SPEECH GIVEN BY PRESIDENT BOUMEDIENE ON FEBRUARY 21 (IN ARABIC) AT THE INAUGURATION OF THE LNG-

PLANT AND OF A METHANOL AND SYNTHETIC RESINS PLANT, THE OPENING OF THE OIL AND GAS PORT, AND THE START OF CONSTRUCTION OF THE LNG-2 PLANT IN ARZEW. (THE CONTRACTORS FOR BOTH LNG PLANTS ARE U.S. FIRMS. THE OUTPUT OF LNG-1, ABOUT ONE BILLION STANDARD CUBIC FEET PER DAY, IS ENTIRELY DESTINED FOR THE U.S. MARKET.)

2. BEGIN SUMMARY: I AM PLEASED TO WELCOME OUR GUESTS AND PARTNERS FROM ABROAD TO THIS CEREMONY TO INAUGURATE THESE PLANTS AND THE PORT AND TO LAUNCH CONSTRUCTION OF LNG-2.

3. AS WE GATHER HERE IN THE WEST ANOTHER PLANT, TO PRODUCE ETHYLENE, IS NEARING COMPLETION IN THE EAST, AT SKIKDA. THESE FACILITIES ARE PART OF A GREAT NATIONAL EFFORT ON WHICH THE ASPIRATIONS OF OUR PEOPLE REST.

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4. ONLY TEN YEARS AGO ARZEW WAS A SMALL FISHING PORT WITH A LONG AND PEBBLY BEACH STREWN WITH SOME SPARSE VINEYARDS, THE DERISORY WEALTH INHERITED FROM THE COLONIAL ERA WHICH CARRIED WITHIN IT THE PERNICIOUS GERM OF DEPENDENCE.

5. TODAY THERE IS BEFORE US A MASSIVELY-EXPANDING INDUSTRIAL

BASE. ARZEW, SKIKDA, ANNABA, CONSTANTINE, ROUIBA AND OTHER CENTERS ARE BEACONS OF THE PATH WE HAVE CHOSEN FOR THE DEVELOPMENT OF OUR RESOURCES. HYDROCARBONS HAVE A SPECIAL PLACE IN THIS DEVELOPMENT BECAUSE THEY WILL ENABLE US TO FINANCE OUR DEVELOPMENT AND INSURE OUR FINANCIAL INDEPENDENCE. OUR PROVEN HYDROCARBON RESERVES WILL MEET OUR OWN NEEDS FOR SEVERAL DECADES AND WILL PERMIT A HIGH LEVEL OF EXPORTS IN ORDER TO SECURE THE CREATION OF NEW AND PERMANENT SOURCES OF REVENUE.

6. WHILE OUR HYDROCARBON RESERVES ARE SIGNIFICANT, THEY ARE STILL FINITE. THEIR DEPLETION CAN ONLY BE JUSTIFIED IF THE RESERVES ARE USED WISELY TO CREATE NEW RESOURCES OF REVENUE FOR FUTURE GENERATIONS.

7. OUR RESOURCES MUST MEET THE BASIC NEEDS OF THE PEOPLE AND ENSURE THE REALIZATION OF A SOCIALIST SOCIETY, NATIONAL INDEPENDENCE, AND THE EMANCIPATION OF MAN. THESE ARE THE GOALS WE SET OURSELVES JUST AFTER THE JUNE 19, 1965 RE-AWAKENING OF THE REVOLUTION. AT THAT TIME, WHEN OUR NATURAL RESOURCES WERE CONTROLLED BY FOREIGN COMPANIES, WE MADE A REALISTIC INVENTORY OF OUR POSSIBILITIES. WE FULLY STUDIED ALL THE PROJECTS NOW IN OPERATION OR UNDER CONSTRUCTION AND CREATED NATIONAL COMPANIES TO CARRY OUT OUR PLANS. THESE PROJECTS ARE THUS THE RESULT OF A LONG HISTORICAL PROCESS.

8. THE MARKETING OF NATURAL GAS WAS NOT THEN ACCEPTED BY EVERY-
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ONE EVERYWHERE AS A VALID ENERGY OPTION, BUT OUR DETERMINATION IN THE FACE OF VARIOUS MISHAPS IS NOW BEARING FRUIT IN THE FORM OF THE PLANT WE ARE DEDICATING TODAY.

9. THE SALES CONTRACT ASSOCIATED WITH LNG-1 REPRESENTED THE FIRST TIME THAT IT WAS PROPOSED TO TRANSPORT SUCH LARGE QUANTITIES OF LNG FROM AFRICA TO AMERICA AND MANY PEOPLE DERIDED THE IDEA. SOME THOUGHT IT A FANCIFUL IDEA HIDING A CRUDE ALGERIAN MANEUVER AIMED AT INFLUENCING NEGOTIATIONS WITH EUROPEAN BUYERS. OTHERS SAID ALGERIA WOULD NOT HAVE THE INDUSTRIAL, COMMERCIAL OR FINANCIAL ABILITY TO CARRY OUT THE PROJECT. WE KNEW THOSE ATTACHED TO THE OLD SYSTEM WOULD NOT BE ABLE TO GRASP THE IDEA OF AN ALGERIAN GAS EXPORT SCHEME NOT CONTROLLED BY OUTSIDERS. SOME TRIED TO PROMOTE THE IDEA THAT ALGERIA WAS SELLING ITS SOUL; THEY WERE TRYING TO MISREPRESENT AN OPERATION THAT WAS STRICTLY COMMERCIAL. LIKE ANY SELLER, ALGERIA, WHICH SELLS ITS SOUL TO NOBODY, IS AWARE OF THE VALUE OF WHAT IT IS GIVING AND OF WHAT IT SHOULD RECEIVE IN RETURN.

10. WE PAY TRIBUTE TO THE WORKERS, TECHNICIANS AND MANAGERS WHO HAVE SET UP THIS COMPLICATED OPERATION. TODAY THE PLANT PRODUCES LNG TO BE LOADED ON THE VESSEL "EL PASO-SONATRACH" TO BEGIN A

25 YEAR ASSOCIATION. THE ALGERIAN PEOPLE ARE HAPPY THAT SUCH PROJECTS WILL ESTABLISH NEW RELATIONS BETWEEN ALGERIA AND THE INDUSTRIALIZED COUNTRIES.

11. ALGERIA IS IN THE FOREFRONT OF NATURAL GAS MARKETING. OUR COUNTRY HAS DEFINITELY APPROVED CONTRACTS FOR SALES OF 56 BILLION CUBIC METERS A YEAR, 28 PERCENT OF WHICH IS FOR THE U.S., 72 PERCENT FOR EUROPE. WE WILL SOON SEE A FLEET OF 30 GIANT METHANE TANKERS IN THE ATLANTIC AND THE MEDITERRANEAN LINKING ALGERIA WITH EUROPE AND AMERICA, AS WELL AS IN INTERCONTINENTAL PIPELINE TO CARRY GAS TO ITALY.

12. WE ARE COMMITTED TO EXPANSION OF OUR RELATIONS WITH COUNTRIES FROM WHICH WE CAN OBTAIN THE MEANS TO DEVELOP AND TO WHICH WE UNCLASSIFIED

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CAN CONTRIBUTE TO A SOLUTION OF THEIR ENERGY PROBLEMS. OUR ATTACHMENT TO PROGRESS IS A CONSTANT ELEMENT IN OUR FOREIGN POLICY. OUR ACTIONS AIMING AT ESTABLISHING A NEW INTERNATIONAL ECONOMIC ORDER, OUR PARTICIPATION IN THE NON-ALIGNED MOVEMENT, OUR COMMITMENT TO INTERNATIONAL TRADE BASED ON MUTUAL RESPECT FOR THE PARTNERS' ECONOMIC AND SOCIAL SYSTEMS, ARE ALL ASPECTS OF THE SAME POLICY. MAY GOD GUIDE US IN THE PATH THAT LEADS TO PROGRESS AND PROSPERITY. END SUMMARY.

13. FULL TEXT BEING POUCHED TO NEA/AFN. HAYNES

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LPG, INAUGURATION, SPEECHES, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ALGIER00627
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780088-0870
Format: TEL
From: ALGIERS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780213/aaaaaknl.tel
Line Count: 146
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: eba4b5cf-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3477452
Secure: OPEN
Status: NATIVE
Subject: BOUMEDIENE'S SPEECH AT OPENING OF ARZEW LNG PLANT
TAGS: ENRG, EFIN, AG, (BOUMEDIENE, HOUARI)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/eba4b5cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014